



Transaction Privilege Tax Changes and News

This publication is an informational notice for August 2011.

TOWN OF ORO VALLEY

Effective August 1, 2011: On May 4, 2011, the Mayor and Town Council of Oro Valley passed ordinance (O) 11-14. Ordinance (O) 11-14 amends the tax code of the Town of Oro Valley relating to the Utility Services tax rate. Ordinance (O) 11-14 increases the Utility Services tax rate from **two percent (2%)** to **four percent (4%)** effective August 1, 2011. This ordinance change affects the transaction privilege tax classification (**OR 005**). Ordinance (O) 11-14 has no provision for pre-existing contracts.

TOWN OF PARADISE VALLEY

Effective August 1, 2011: On May 12, 2011, the Mayor and the Council of the Town of Paradise Valley passed Ordinance 627. Ordinance 627 amends the Town of Paradise Valley's tax code by increasing the rate of taxation from **one and sixty-five percent (1.65%)** to **two and one half percent (2.50%)**.

Ordinance 627 increases the tax rates at **two and one half percent (2.50%)** for the following classifications:

Advertising, Amusements, exhibitions, and similar activities, Construction contracting: construction contractors, Construction contracting: speculative builders, Construction contracting: owner builders who are not speculative builders, Job Printing, Manufactured Buildings, Timbering and other extraction, Publishing and periodicals distribution, Rental Occupancy, Hotels, Rental, leasing, and licensing for use of tangible personal property, Restaurants and bars, Retail sales; measure of tax; burden of proof; exclusions, Telecommunications services, Transporting for hire, Utility services and Use tax.

The ordinance change affects the Transaction Privilege Tax Classification (**PV 000**), and Use Tax (**PV 002**)

The increase imposed by this ordinance does not apply to Rental, leasing and licensing for use of real property which is taxed at the rate of **one and sixty-five percent (1.65%)** and is reported under (**PV 013**).

This increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing Use tax contracts should be reported under the Use Tax Contracts (Prior to August 1, 2011) Classification (**PV 006**). Pre-existing Privilege Tax Contracts should be reported under the Privilege Tax Contracts (prior to August 1, 2011) Classification (**PV 007**).

CITY OF TOMBSTONE

Effective August 1, 2011: On June 14, 2011, the Mayor and the Council of the City of Tombstone passed Ordinance 03-2011. Ordinance 03-2011 amends the City of Tombstone's tax code by increasing the tax rate for the additional tax upon transient lodging from **three percent (3%)** to **six percent (6%)**.

Ordinance 03-2011 increases the tax rate for the Hotel/Motel (Additional Tax) Classification (**TS 001**) to **six percent (6%)** effective August 1, 2011.

Ordinance 03-2011 does not have a provision for pre-existing contracts.

CITY OF WINSLOW

Effective August 1, 2011: In a special election held on May 17, 2011, the electorate authorized the City of Winslow to continue the one percent (**1%**) tax on transaction privilege sales tax. The tax was approved for an additional five years and shall cease on July 15, 2016.

The Special Election also removed the exemption for the two tier tax rate for retail and the contracting exemption for construction contracts over one thousand dollars. The business class code (**WS 001**) will be eliminated.

The continuation of the one percent tax does not affect Jet Fuel (**WS 009**) at **three cents per gallon (\$.03%)**, the Additional Tax on Hotel/Motel (**WS 003**) at **two percent (2%)**, the Additional Tax on Restaurant and Bar (**WS 004**) at **two percent (2%)** or Metalliferous Mining (**WS 005**) at **one tenth of a percent (.10%)**.

There is no pre-existing contract provision.